

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007

# HOUSE BILL 2242

AN ACT

AMENDING SECTIONS 15-2002 AND 15-2041, ARIZONA REVISED STATUTES; RELATING TO  
THE SCHOOL FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 15-2002, Arizona Revised Statutes, is amended to  
3 read:  
4 15-2002. Powers and duties; executive director; staffing;  
5 report  
6 A. The school facilities board shall:  
7 1. Make assessments of school facilities and equipment deficiencies  
8 ~~pursuant to section 15-2021~~ and approve the distribution of grants as  
9 appropriate.  
10 2. Develop a database for administering the building renewal formula  
11 prescribed in section 15-2031 and administer the distribution of monies to  
12 school districts for building renewal.  
13 3. Inspect school buildings at least once every five years to ensure  
14 compliance with the building adequacy standards prescribed in section 15-2011  
15 and routine preventative maintenance guidelines as prescribed in this section  
16 with respect to construction of new buildings and maintenance of existing  
17 buildings. The school facilities board shall randomly select twenty school  
18 districts every thirty months and inspect them pursuant to this paragraph.  
19 4. Review and approve student population projections submitted by  
20 school districts to determine to what extent school districts are entitled to  
21 monies to construct new facilities pursuant to section 15-2041. The board  
22 shall make a final determination within six months of the receipt of an  
23 application by a school district for monies from the new school facilities  
24 fund.  
25 5. Certify that plans for new school facilities meet the building  
26 adequacy standards prescribed in section 15-2011.  
27 6. Develop prototypical elementary and high school designs. The board  
28 shall review the design differences between the schools with the highest  
29 academic productivity scores and the schools with the lowest academic  
30 productivity scores. The board shall also review the results of a valid and  
31 reliable survey of parent quality rating in the highest performing schools  
32 and the lowest performing schools in this state. The survey of parent  
33 quality rating shall be administered by the department of education. The  
34 board shall consider the design elements of the schools with the highest  
35 academic productivity scores and parent quality ratings in the development of  
36 elementary and high school designs. The board shall develop separate school  
37 designs for elementary, middle and high schools with varying pupil  
38 capacities.  
39 7. Develop application forms, reporting forms and procedures to carry  
40 out the requirements of this article.  
41 8. Review and approve or reject requests submitted by school districts  
42 to take actions pursuant to section 15-341, subsection F.  
43 9. Submit an annual report by December 15 to the speaker of the house  
44 of representatives, the president of the senate, the superintendent of public

1 instruction, the director of the Arizona state library, archives and public  
2 records and the governor that includes the following information:

3 (a) A detailed description of the amount of monies distributed by the  
4 school facilities board in the previous fiscal year.

5 (b) A list of each capital project that received monies from the  
6 school facilities board during the previous fiscal year, a brief description  
7 of each project that was funded and a summary of the board's reasons for the  
8 distribution of monies for the project.

9 (c) A summary of the findings and conclusions of the building  
10 maintenance inspections conducted pursuant to this article during the  
11 previous fiscal year.

12 (d) A summary of the findings of common design elements and  
13 characteristics of the highest performing schools and the lowest performing  
14 schools based on academic productivity, including the results of the parent  
15 quality rating survey. For the purposes of this ~~paragraph~~ SUBDIVISION,  
16 "academic productivity" means academic year advancement per calendar year as  
17 measured with student-level data using the statewide nationally standardized  
18 norm-referenced achievement test.

19 10. By December 1 of each year, report to the joint committee on  
20 capital review the amounts necessary to fulfill the requirements of sections  
21 ~~15-2021~~, 15-2022, 15-2031 and 15-2041 for the following fiscal year and the  
22 estimated amounts necessary to fulfill the requirements of sections ~~15-2021~~,  
23 15-2022, 15-2031 and 15-2041 for the fiscal year following the next fiscal  
24 year. The board shall provide copies of the report to the president of the  
25 senate, the speaker of the house of representatives and the governor.

26 11. Adopt minimum school facility adequacy guidelines to provide the  
27 minimum quality and quantity of school buildings and the facilities and  
28 equipment necessary and appropriate to enable pupils to achieve the  
29 educational goals of the Arizona state schools for the deaf and the  
30 blind. The school facilities board shall establish minimum school facility  
31 adequacy guidelines applicable to the Arizona state schools for the deaf and  
32 the blind ~~by December 31, 2000~~.

33 12. ~~Beginning August 15, 2004, and~~ IN each even-numbered year  
34 ~~thereafter~~, report to the joint committee on capital review the amounts  
35 necessary to fulfill the requirements of sections 15-2031 and 15-2041 for the  
36 Arizona state schools for the deaf and the blind for the following two fiscal  
37 years. The Arizona state schools for the deaf and the blind shall  
38 incorporate the findings of the report in any request for building renewal  
39 monies and new school facilities monies. Any monies provided to the Arizona  
40 state schools for the deaf and the blind for building renewal and for new  
41 school facilities are subject to legislative appropriation.

42 13. By October 15 of each year, submit information regarding  
43 demographic assumptions, a proposed construction schedule and new school  
44 construction cost estimates for the following fiscal year to the joint  
45 committee on capital review for its review.

1           14. Every two years, provide school districts with information on  
2 improving and maintaining the indoor environmental quality in school  
3 buildings.

4           B. The school facilities board may contract for ~~private~~ THE FOLLOWING  
5 services in compliance with the procurement practices prescribed in title 41,  
6 chapter 23:

7           1. PRIVATE SERVICES.

8           2. CONSTRUCTION PROJECT MANAGEMENT SERVICES.

9           3. ASSESSMENTS FOR SCHOOL BUILDINGS TO DETERMINE IF THEY HAVE OUTLIVED  
10 THEIR USEFUL LIFE PURSUANT TO SECTION 15-2041, SUBSECTION G.

11           4. SERVICES RELATED TO LAND ACQUISITION AND DEVELOPMENT.

12           C. The governor shall appoint an executive director of the school  
13 facilities board pursuant to section 38-211. The executive director is  
14 eligible to receive compensation as determined pursuant to section 38-611 and  
15 may hire and fire necessary staff as approved by the legislature in the  
16 budget. The executive director shall have demonstrated competency in school  
17 finance, facilities design or facilities management, either in private  
18 business or government service. The executive director serves at the  
19 pleasure of the governor. The staff of the school facilities board is exempt  
20 from title 41, chapter 4, articles 5 and 6. The executive director:

21           1. Shall analyze applications for monies submitted to the board by  
22 school districts.

23           2. Shall assist the board in developing forms and procedures for the  
24 distribution and review of applications and the distribution of monies to  
25 school districts.

26           3. May review or audit, or both, the expenditure of monies by a school  
27 district for deficiencies corrections, building renewal and new school  
28 facilities.

29           4. Shall assist the board in the preparation of the board's annual  
30 report.

31           5. Shall research and provide reports on issues of general interest to  
32 the board.

33           6. May aid school districts in the development of reasonable and  
34 cost-effective school designs in order to avoid statewide duplicated efforts  
35 and unwarranted expenditures in the area of school design.

36           7. May assist school districts in facilitating the development of  
37 multijurisdictional facilities.

38           8. Shall assist the board in any other appropriate matter or method as  
39 directed by the members of the board.

40           9. Shall establish procedures to ensure compliance with the notice and  
41 hearing requirements prescribed in section 15-905. The notice and hearing  
42 procedures adopted by the board shall include the requirement, with respect  
43 to the board's consideration of any application filed after July 1, 2001 or  
44 after December 31 of the year in which the property becomes territory in the  
45 vicinity of a military airport or ancillary military facility as defined in

1 section 28-8461 for monies to fund the construction of new school facilities  
2 proposed to be located in territory in the vicinity of a military airport or  
3 ancillary military facility, that the military airport receive notification  
4 of the application by first class mail at least thirty days before any  
5 hearing concerning the application.

6 10. May expedite any request for ~~funds~~ MONIES in which the local match  
7 was not obtained for a project that received preliminary approval by the  
8 state board for school capital facilities.

9 11. Shall expedite any request for ~~funds~~ MONIES in which the school  
10 district governing board submits an application that shows an immediate need  
11 for a new school facility.

12 12. Shall make a determination as to administrative completion within  
13 one month after the receipt of an application by a school district for monies  
14 from the new school facilities fund.

15 13. Shall provide technical support to school districts as requested by  
16 school districts in connection with the construction of new school facilities  
17 and the maintenance of existing school facilities AND MAY CONTRACT DIRECTLY  
18 WITH CONSTRUCTION PROJECT MANAGERS PURSUANT TO SUBSECTION B OF THIS SECTION.  
19 NOTHING IN THIS PARAGRAPH RESTRICTS A SCHOOL DISTRICT FROM CONTRACTING WITH A  
20 CONSTRUCTION PROJECT MANAGER UTILIZING DISTRICT RESOURCES OR USING STATE  
21 RESOURCES AS LONG AS THE SCHOOL FACILITIES BOARD DOES NOT MODIFY THE BASE  
22 COST PER SQUARE FOOT PURSUANT TO SECTION 15-2041, SUBSECTION D, PARAGRAPH 3,  
23 SUBDIVISION (c).

24 D. When appropriate, the school facilities board shall review and use  
25 the statewide school facilities inventory and needs assessment conducted by  
26 the joint committee on capital review and issued in July, 1995.

27 E. The school facilities board shall contract with one or more private  
28 building inspectors to complete an initial assessment of school facilities  
29 and equipment ~~provided in section 15-2021~~ and shall inspect each school  
30 building in this state at least once every five years to ensure compliance  
31 with section 15-2011. A copy of the inspection report, together with any  
32 recommendations for building maintenance, shall be provided to the school  
33 facilities board and the governing board of the school district.

34 F. The school facilities board may consider appropriate combinations  
35 of facilities or uses in making assessments of and curing deficiencies  
36 pursuant to subsection A, paragraph 1 of this section and in certifying plans  
37 for new school facilities pursuant to subsection A, paragraph 5 of this  
38 section.

39 G. The board shall not award any monies to fund new facilities that  
40 are financed by class A bonds that are issued by the school district.

41 H. The board shall not distribute monies to a school district for  
42 replacement or repair of facilities if the costs associated with the  
43 replacement or repair are covered by insurance or a performance or payment  
44 bond.

1 I. The board may contract for construction services and materials that  
2 are necessary to correct existing deficiencies in school district facilities  
3 ~~as determined pursuant to section 15-2021~~. The board may procure the  
4 construction services necessary pursuant to this subsection by any method,  
5 including construction-manager-at-risk, design-build, design-bid-build or  
6 job-order-contracting as provided by title 41, chapter 23. The construction  
7 planning and services performed pursuant to this subsection are exempt from  
8 section 41-791.01.

9 J. The school facilities board may enter into agreements with school  
10 districts to allow school facilities board staff and contractors access to  
11 school property for the purposes of performing the construction services  
12 necessary pursuant to subsection I of this section.

13 K. ~~By October 1, 2002~~, Each school district shall develop routine  
14 preventative maintenance guidelines for its facilities. The guidelines shall  
15 be submitted to the school facilities board for review and approval ~~by~~  
16 ~~February 1, 2003~~. If upon inspection by the school facilities board it is  
17 determined that a school district facility was inadequately maintained  
18 pursuant to the school district's routine preventative maintenance  
19 guidelines, the school district shall use building renewal monies pursuant to  
20 section 15-2031, subsection J to return the building to compliance with the  
21 school district's routine preventative maintenance guidelines. Once the  
22 district is in compliance, it no longer is required to use building renewal  
23 monies for preventative maintenance.

24 L. The school facilities board may temporarily transfer monies between  
25 the capital reserve fund established by section 15-2003, ~~the deficiencies~~  
26 ~~correction fund established by section 15-2021~~, the emergency deficiencies  
27 correction fund established by section 15-2022, the building renewal fund  
28 established by section 15-2031 and the new school facilities fund established  
29 by section 15-2041 if all of the following conditions are met:

30 1. The transfer is necessary to avoid a temporary shortfall in the  
31 fund into which the monies are transferred.

32 2. The transferred monies are restored to the fund where the monies  
33 originated as soon as practicable after the temporary shortfall in the other  
34 fund has been addressed.

35 3. The school facilities board reports to the joint committee on  
36 capital review the amount of and the reason for any monies transferred.

37 Sec. 2. Section 15-2041, Arizona Revised Statutes, is amended to read:  
38 15-2041. New school facilities fund; capital plan; report

39 A. A new school facilities fund is established consisting of monies  
40 appropriated by the legislature and monies credited to the fund pursuant to  
41 section 37-221. The school facilities board shall administer the fund and  
42 distribute monies, as a continuing appropriation, to school districts for the  
43 purpose of constructing new school facilities **AND FOR CONTRACTED EXPENSES**  
44 **PURSUANT TO SECTION 15-2002, SUBSECTION B, PARAGRAPHS 2 THROUGH 4**. On June  
45 30 of each fiscal year, any unobligated contract monies in the new school

1 facilities fund shall be transferred to the capital reserve fund established  
2 by section 15-2003.

3 B. The school facilities board shall prescribe a uniform format for  
4 use by the school district governing board in developing and annually  
5 updating a capital plan that consists of each of the following:

6 1. Enrollment projections for the next five years for elementary  
7 schools and eight years for middle and high schools, including a description  
8 of the methods used to make the projections.

9 2. A description of new schools or additions to existing schools  
10 needed to meet the building adequacy standards prescribed in section 15-2011.  
11 The description shall include:

12 (a) The grade levels and the total number of pupils that the school or  
13 addition is intended to serve.

14 (b) The year in which it is necessary for the school or addition to  
15 begin operations.

16 (c) A timeline that shows the planning and construction process for  
17 the school or addition.

18 3. Long-term projections of the need for land for new schools.

19 4. Any other necessary information required by the school facilities  
20 board to evaluate a school district's capital plan.

21 5. If a school district pays tuition for all or a portion of the  
22 school district's high school pupils to another school district, the capital  
23 plan shall indicate the number of pupils for which the district pays tuition  
24 to another district. If a school district accepts pupils from another school  
25 district pursuant to section 15-824, subsection A, the school district shall  
26 indicate the projections for this population separately. This paragraph does  
27 not apply to a small isolated school district as defined in section 15-901.

28 C. If the capital plan indicates a need for a new school or an  
29 addition to an existing school within the next four years or a need for land  
30 within the next ten years, the school district shall submit its plan to the  
31 school facilities board by September 1 and shall request monies from the new  
32 school facilities fund for the new construction or land. Monies provided for  
33 land shall be in addition to any monies provided pursuant to subsection D of  
34 this section.

35 D. The school facilities board shall distribute monies from the new  
36 school facilities fund as follows:

37 1. The school facilities board shall review and evaluate the  
38 enrollment projections and either approve the projections as submitted or  
39 revise the projections. In determining new construction requirements, the  
40 school facilities board shall determine the net new growth of pupils that  
41 will require additional square footage that exceeds the building adequacy  
42 standards prescribed in section 15-2011. If the projected growth and the  
43 existing number of pupils ~~exceeds~~ EXCEED three hundred fifty pupils who are  
44 served in a school district other than the pupil's resident school district,  
45 the school facilities board, the receiving school district and the resident

1 school district shall develop a capital facilities plan on how to best serve  
2 those pupils. A small isolated school district as defined in section 15-901  
3 is not required to develop a capital facilities plan pursuant to this  
4 paragraph.

5 2. If the approved projections indicate that additional space will not  
6 be needed within the next two years for elementary schools or three years for  
7 middle or high schools in order to meet the building adequacy standards  
8 prescribed in section 15-2011, the request shall be held for consideration by  
9 the school facilities board for possible future funding and the school  
10 district shall annually submit an updated plan until the additional space is  
11 needed.

12 3. If the approved projections indicate that additional space will be  
13 needed within the next two years for elementary schools or three years for  
14 middle or high schools in order to meet the building adequacy standards  
15 prescribed in section 15-2011, the school facilities board shall provide an  
16 amount as follows:

17 (a) Determine the number of pupils requiring additional square footage  
18 to meet building adequacy standards. This amount for elementary schools  
19 shall not be less than the number of new pupils for whom space will be needed  
20 in the next year and shall not exceed the number of new pupils for whom space  
21 will be needed in the next five years. This amount for middle and high  
22 schools shall not be less than the number of new pupils for whom space will  
23 be needed in the next four years and shall not exceed the number of new  
24 pupils for whom space will be needed in the next eight years.

25 (b) Multiply the number of pupils determined in subdivision (a) of  
26 this paragraph by the square footage per pupil. The square footage per pupil  
27 is ninety square feet per pupil for preschool children with disabilities,  
28 kindergarten programs and grades one through six, one hundred square feet for  
29 grades seven and eight, one hundred thirty-four square feet for a school  
30 district that provides instruction in grades nine through twelve for fewer  
31 than one thousand eight hundred pupils and one hundred twenty-five square  
32 feet for a school district that provides instruction in grades nine through  
33 twelve for at least one thousand eight hundred pupils. The total number of  
34 pupils in grades nine through twelve in the district shall determine the  
35 square footage factor to use for net new pupils. The school facilities board  
36 may modify the square footage requirements prescribed in this subdivision for  
37 particular schools based on any of the following factors:

38 (i) The number of pupils served or projected to be served by the  
39 school district.

40 (ii) Geographic factors.

41 (iii) Grade configurations other than those prescribed in this  
42 subdivision.

43 (iv) Compliance with minimum school facility adequacy requirements  
44 established pursuant to section 15-2011.

1           (c) Multiply the product obtained in subdivision (b) of this paragraph  
2 by the cost per square foot. The cost per square foot is ninety dollars for  
3 preschool children with disabilities, kindergarten programs and grades one  
4 through six, ninety-five dollars for grades seven and eight and one hundred  
5 ten dollars for grades nine through twelve. The cost per square foot shall  
6 be adjusted annually for construction market considerations based on an index  
7 identified or developed by the joint legislative budget committee as  
8 necessary but not less than once each year. The school facilities board  
9 shall multiply the cost per square foot by 1.05 for any school district  
10 located in a rural area. The school facilities board may modify the base  
11 cost per square foot prescribed in this subdivision for particular schools  
12 based on geographic conditions or site conditions. For the purposes of this  
13 subdivision, "rural area" means an area outside a thirty-five mile radius of  
14 a boundary of a municipality with a population of more than fifty thousand  
15 persons.

16           (d) Once the school district governing board obtains approval from the  
17 school facilities board for new facility construction funds, additional  
18 portable or modular square footage created for the express purpose of  
19 providing temporary space for pupils until the completion of the new facility  
20 shall not be included by the school facilities board for the purpose of new  
21 construction funding calculations. On completion of the new facility  
22 construction project, if the portable or modular facilities continue in use,  
23 the portable or modular facilities shall be included as prescribed by this  
24 chapter, unless the school facilities board approves their continued use for  
25 the purpose of providing temporary space for pupils until the completion of  
26 the next new facility that has been approved for funding from the new school  
27 facilities fund.

28           4. For projects approved after December 31, 2001, and notwithstanding  
29 paragraph 3 of this subsection, a unified school district that does not have  
30 a high school is not eligible to receive high school space as prescribed by  
31 section 15-2011 and this section unless the unified district qualifies for  
32 geographic factors prescribed by paragraph 3, subdivision (b), item (ii) of  
33 this subsection.

34           E. Monies for architectural and engineering fees, project management  
35 services and preconstruction services shall be distributed on the completion  
36 of the analysis by the school facilities board of the school district's  
37 request. After receiving monies pursuant to this subsection, the school  
38 district shall submit a design development plan for the school or addition to  
39 the school facilities board before any monies for construction are  
40 distributed. If the school district's request meets the building adequacy  
41 standards, the school facilities board may review and comment on the  
42 district's plan with respect to the efficiency and effectiveness of the plan  
43 in meeting state square footage and facility standards before distributing  
44 the remainder of the monies. If the school facilities board modifies the  
45 cost per square foot as prescribed in subsection D, paragraph 3, subdivision

1 (c) OF THIS SECTION, the school facilities board may deduct the cost of  
2 project management services and preconstruction services from the required  
3 cost per square foot. The school facilities board may decline to fund the  
4 project if the square footage is no longer required due to revised enrollment  
5 projections.

6 F. The school facilities board shall distribute the monies needed for  
7 land for new schools so that land may be purchased at a price that is less  
8 than or equal to fair market value and in advance of the construction of the  
9 new school. If necessary, the school facilities board may distribute monies  
10 for land to be leased for new schools if the duration of the lease exceeds  
11 the life expectancy of the school facility by at least fifty per cent. The  
12 proceeds derived through the sale of any land purchased or partially  
13 purchased with monies provided by the school facilities board shall be  
14 returned to the state fund from which it was appropriated and to any other  
15 participating entity on a proportional basis. Except as provided in section  
16 15-342, paragraph 33, if a school district acquires real property by donation  
17 at an appropriate school site approved by the school facilities board, the  
18 school facilities board shall distribute an amount equal to twenty per cent  
19 of the fair market value of the donated real property that can be used for  
20 academic purposes. The school district shall place the monies in the  
21 unrestricted capital outlay fund and increase the unrestricted capital budget  
22 limit by the amount of monies placed in the fund. Monies distributed under  
23 this subsection shall be distributed from the new school facilities fund. A  
24 school district that receives monies from the new school facilities fund for  
25 a donation of land pursuant to section 15-342, paragraph 33 shall not receive  
26 monies from the school facilities board for the donation of real property  
27 pursuant to this subsection. A school district shall not pay a consultant a  
28 percentage of the value of any of the following:

29 1. Donations of real property, services or cash from any of the  
30 following:

31 (a) Entities that have offered to provide construction services to the  
32 school district.

33 (b) Entities that have been contracted to provide construction  
34 services to the school district.

35 (c) Entities that build residential units in that school district.

36 (d) Entities that develop land for residential use in that school  
37 district.

38 2. Monies received from the school facilities board on behalf of the  
39 school district.

40 3. Monies paid by the school facilities board on behalf of the school  
41 district.

42 G. In addition to distributions to school districts based on pupil  
43 growth projections, a school district may submit an application to the school  
44 facilities board for monies from the new school facilities fund if one or  
45 more school buildings have outlived their useful life. If the school

1 facilities board determines that the school district needs to build a new  
2 school building for these reasons, the school facilities board shall remove  
3 the square footage computations that represent the building from the  
4 computation of the school district's total square footage for purposes of  
5 this section. If the square footage recomputation reflects that the school  
6 district no longer meets building adequacy standards, the school district  
7 qualifies for a distribution of monies from the new school construction  
8 formula in an amount determined pursuant to subsection D of this  
9 section. Buildings removed from a school district's total square footage  
10 pursuant to this subsection shall not be included in the computation of  
11 monies from the building renewal fund established by section 15-2031. The  
12 school facilities board may modify the base cost per square foot prescribed  
13 in this subsection under extraordinary circumstances for geographic factors  
14 or site conditions.

15 H. School districts that receive monies from the new school facilities  
16 fund shall establish a district new school facilities fund and shall use the  
17 monies in the district new school facilities fund only for the purposes  
18 prescribed in this section. By October 15 of each year, each school district  
19 shall report to the school facilities board the projects funded at each  
20 school in the previous fiscal year with monies from the district new school  
21 facilities fund and shall provide an accounting of the monies remaining in  
22 the new school facilities fund at the end of the previous fiscal year.

23 I. If a school district has surplus monies received from the new  
24 school facilities fund, the school district may use the surplus monies only  
25 for capital purposes for the project for up to one year after completion of  
26 the project. If the school district possesses surplus monies from the new  
27 school construction project that have not been expended within one year of  
28 the completion of the project, the school district shall return the surplus  
29 monies to the school facilities board for deposit in the new school  
30 facilities fund.

31 J. The board's consideration of any application filed after July 1,  
32 2001 or after December 31 of the year in which the property becomes territory  
33 in the vicinity of a military airport or ancillary military facility as  
34 defined in section 28-8461 for monies to fund the construction of new school  
35 facilities proposed to be located in territory in the vicinity of a military  
36 airport or ancillary military facility shall include, if after notice is  
37 transmitted to the military airport pursuant to section 15-2002 and before  
38 the public hearing the military airport provides comments and analysis  
39 concerning compatibility of the proposed school facilities with the high  
40 noise or accident potential generated by military airport or ancillary  
41 military facility operations that may have an adverse effect on public health  
42 and safety, consideration and analysis of the comments and analysis provided  
43 by the military airport before making a final determination.

1 K. If a school district uses its own project manager for new school  
2 construction, the members of the school district governing board and the  
3 project manager shall sign an affidavit stating that the members and the  
4 project manager understand and will follow the minimum adequacy requirements  
5 prescribed in section 15-2011.

6 L. The school facilities board shall establish a separate account in  
7 the new school facilities fund designated as the litigation account to pay  
8 attorney fees, expert witness fees and other costs associated with litigation  
9 in which the school facilities board pursues the recovery of damages for  
10 deficiencies correction that resulted from alleged construction defects or  
11 design defects that the school facilities board believes caused or  
12 contributed to a failure of the school building to conform to the building  
13 adequacy requirements prescribed in section 15-2011. Attorney fees paid  
14 pursuant to this subsection shall not exceed the market rate for similar  
15 types of litigation. Monies recovered as damages pursuant to this subsection  
16 shall be used to offset debt service on the correction of existing  
17 deficiencies ~~as prescribed by section 15-2021~~. The joint committee on  
18 capital review shall conduct an annual review of the litigation account,  
19 including the costs associated with current and potential litigation.

20 M. Until the state board of education and the auditor general adopt  
21 rules pursuant to section 15-213, subsection I, the school facilities board  
22 may allow school districts to contract for construction services and  
23 materials through the qualified select bidders list method of project  
24 delivery for new school facilities pursuant to this section.

25 N. The school facilities board shall submit a report on project  
26 management services and preconstruction services to the governor, the  
27 president of the senate and the speaker of the house of representatives by  
28 December 31 of each year. The report shall compare projects that use project  
29 management and preconstruction services with those that do not. The report  
30 shall address cost, schedule and other measurable components of a  
31 construction project. School districts, construction manager at risk firms  
32 and project management firms that participate in a school facilities board  
33 funded project shall provide the information required by the school  
34 facilities board in relation to this report.

35 O. If a school district constructs new square footage according to  
36 section 15-342, paragraph 33, the school facilities board shall review **THE**  
37 design plans and location of any new school facility submitted by school  
38 districts and another party to determine whether the design plans comply with  
39 the adequacy standards prescribed in section 15-2011 and the square footage  
40 per pupil requirements pursuant to subsection D, paragraph 3, subdivision (b)  
41 of this section. When the school district qualifies for a distribution of  
42 monies from the new school facilities fund according to this section, the  
43 school facilities board shall distribute monies to the school district from  
44 the new school facilities fund for the square footage constructed under  
45 section 15-342, paragraph 33 at the same cost per square foot established by

1 this section that was in effect at the time of the beginning of the  
2 construction of the school facility. Before the school facilities board  
3 distributes any monies pursuant to this subsection, the school district shall  
4 demonstrate to the school facilities board that the facilities to be funded  
5 pursuant to this section meet the minimum adequacy standards prescribed in  
6 section 15-2011. The agreement entered into pursuant to section 15-342,  
7 paragraph 33 shall set forth the procedures for the allocation of these funds  
8 to the parties that participated in the agreement.